

**REMARKS**

The Office Action dated April 1, 2009 ("Office Action") and cited references have been considered. Claims 1, 5-10, 12, 14, 15, 19-24, 26, 28, and 31-36 are currently pending in this application. In this paper, claims 1, 5, 10, 12, 15, 19, 26, and 31-33 have been amended, claims 2-4, 13, 16-18, 27, and 34 have been cancelled without prejudice, and claims 35 and 36 had been added. Reconsideration and allowance are respectfully requested.

**1. Rejection Under 35 U.S.C. § 101**

On page 5 of the Office Action, claims 1-10, 12-24, 26-28, 32, and 33 were rejected under 35 U.S.C. § 101 as allegedly being directed to non-statutory subject matter. This rejection is respectfully traversed.

A claimed process is patent-eligible under § 101 if (1) it is tied to a particular machine or apparatus, or (2) it transforms a particular article into a different state or thing. *In re Bilski*, 545 F.3d 943, 954 (Fed. Cir. 2008). Applicant respectfully submits that claim 1 satisfies both prongs of this test. With respect to the first prong, claim 1 recites, "[a] method for processing payment products *using a computer implemented payment processing system*," "electronically transmitting, *using the computer implemented payment processing system*, payment data," and "wherein processing by the recipient comprises *determining, with a computer implemented optimal path module*, an optimal clearing path." These recitations demonstrate that the claimed method is tied to a machine. With respect to the second prong, it is evident that the payment product, *e.g.*, a check, is transformed into electronic payment data. Accordingly, Applicant submits that claim 1 defines statutory subject matter under 35 U.S.C. § 101.

Claims 5-10, 12, 14, and 32 are dependent upon independent claim 1 and thus inherently incorporate all of the limitations of independent claim 1. Thus, claims 5-10, 12, 14, and 32 should also be allowable at least by virtue of their dependency on independent claim 1.

With respect to claim 15, the Examiner asserts that claim 15 includes embodiments which are entirely comprised of software. The Examiner asserts that if the mail item is electronic mail, then the payment processing system and the central processing engine could be implemented entirely in software. In an effort to expedite the prosecution of the present application, and to address the Examiner's concern that the "mail item" could be electronic mail, Applicants have amended independent claim 15 to clarify that the mail item is a "tangible mail item." In addition, Applicant respectfully submits that claim 15 recites a payment processing system and a computer implemented central processing engine that comprise hardware. *See, e.g.*, Specification, page 9, line 15 to page 12, line 11. Therefore, Applicant respectfully submits that the system of claim 15 is tied to a machine. The system of claim 15 also transforms the payment product into electronic payment data, which satisfies the second prong of the *Bilski* test.

Claims 19-24, 26, 28, and 33 are dependent upon independent claim 15 and thus inherently incorporate all of the limitations of independent claim 15. Thus, claims 19-24, 26-28, and 33 should also be allowable at least by virtue of their dependency on independent claim 15.

In view of the foregoing, Applicant respectfully requests that the aforementioned non-statutory subject matter rejection of claims 1, 5-10, 12, 24, 26, 28, 32, and 33 under 35 U.S.C. § 101 be withdrawn.

**2. Rejections Under 35 U.S.C. § 112, ¶ 2**

On page 7 of the Office Action, claims 1-10, 12-24, 26-28, and 31-34 were rejected under 35 U.S.C. § 112, second paragraph, as allegedly being indefinite for failing to particularly point out and distinctly claim the invention. This rejection is respectfully traversed.

The Office Action asserts that claim 15 fails to recite the physical structure of the system and can be interpreted as software. Applicant respectfully submits that as stated in MPEP § 2173.04, breadth of a claim is not to be equated with indefiniteness. *In re Miller*, 441 F.2d 689 (CCPA 1971). If the scope of the subject matter embraced by the claims is clear, and if applicants have not otherwise indicated that they intend the invention to be of a scope different from that defined in the claims, then the claims comply with 35 U.S.C. § 112, second paragraph. Applicant respectfully submits that the present application provides sufficient support and clarity for one of ordinary skill in the art to determine the scope of the claims. Specifically, claim 15 recites a mail module, a payment processing system, and a central processing engine that comprise hardware. *See, e.g.*, Specification, page 9, line 15 to page 12, line 11. Therefore, Applicant respectfully submits that the claim 15 does recite physical structures of the claimed system.

Nevertheless, as discussed above, in an effort to expedite the prosecution of the present application, and to address the Examiner's concern that the "mail item" could be electronic mail, Applicants have amended independent claim 15 to specify that the mail item is a "tangible mail item." Thus, Applicants respectfully request that this rejection be withdrawn.

Regarding claims 13 and 27, with respect to the term "regular mail channel," although Applicants maintain that the meaning of this term would be understood by one skilled in the art

in view of the specification, in an effort to expedite the prosecution of the present application, Applicants have cancelled these claims, without prejudice.

Regarding claims 32 and 34, with respect to the term “proximate to the local post office,” Applicant respectfully submits that the meaning of this term would be understood by one skilled in the art in view of the specification. For example, the specification describes the payment processing system located at a proximal location (e.g., next building, different floor, etc). *See* specification at page 13, lines 1-2; page 10, lines 4-10. Applicant respectfully submits that one skilled in the art would understand the meaning of the term “proximate to the local post office” when read in view of the specification.

Regarding independent claims 1, 15, and 31, the Office Action asserts that the term payment processing system is vague and indefinite. Applicant respectfully disagrees. The specification describes in detail how the system works and how its various components fit together. Applicant submits that one skilled in the art, after reviewing the specification and the claims, would understand the scope of Applicant’s invention. *See, e.g.*, Specification, Figure 2 and page 9, line 15 to page 12, line 11.

Moreover, the Office Action asserts that claims 1, 12, 15, 26, and 31 are indefinite for use of the word “appropriate.” Applicant respectfully disagrees. However, in order to expedite the prosecution of the present application, Applicant has amended claims 1, 12, 15, 26, and 31 to clarify the claimed invention. Accordingly, Applicant respectfully submits that claims 1, 12, 15, 26, and 31 are definite and particularly point out the subject matter.

In view of the above remarks, Applicant respectfully submits that the claims satisfy 35 U.S.C. § 112, second paragraph. Accordingly, reconsideration and withdrawal of this rejection is respectfully requested.

### 3. Rejection Under 35 U.S.C. § 103

On pages 8 and 9 the Office Action, claims 1, 3, 5-8, 10, 12, 13, 15, 17, 19-22, 24, 26, 27 and 31-34 were rejected under 35 U.S.C. § 103(a) as allegedly being unpatentable over U.S. Patent Application Publication No. 2003/0200107 to Allen et al. (hereinafter "Allen") in view of U.S. Patent No. 7,194,437 to Britto et al. (hereinafter "Britto"). This rejection is respectfully traversed. Prior to discussing the rejection, however, a brief summary of an embodiment of Applicant's invention is provided in order to highlight some of its advantageous characteristics.

Figure 3 of Applicant's specification, reproduced below, shows an exemplary system for check processing at a distributed postal site.

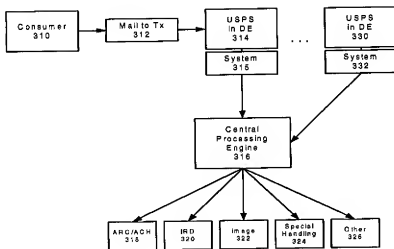


Figure 3

According to this embodiment, a consumer 310 may be located at a specific state, such as Delaware. The consumer 310 may have a mail item 312 (e.g., an envelope) that is addressed to a Texas address having an appropriate code or identifier (e.g., a zip code). As far as the consumer 310 is concerned, the mail item 312 is addressed to Texas and will be routed through the appropriate conventional mail channels, i.e., physically transported to the addressee in Texas.

The mail item 312 may be sent to a mail facility located in Delaware. For example, if the mail item 312 is sent from the consumer's home in Delaware, the mail item 312 will be received at a local post office in Delaware, as shown by 314. At the local post office in Delaware 314, the mail item 312 addressed to Texas will be routed to a local processing system 315 in Delaware. The system 315 may be integrated with a post office and may be located at the post office or at a proximal location (*e.g.*, next building, different floor, etc.).

The system 315 may then electronically transmit scanned payment data to a central processing engine 316. The actual payment product (*e.g.*, the paper check) may then be destroyed at the system 315. The scanned payment data may include a scanned image of the payment product including any associated paperwork. The payment data transmitted by the system 315 to the central processing engine 316 may also include an identifier and/or other data such as a MICR line, payment amount, routing number, transit number, payee information, and/or payor information. The central processing engine 316 may receive scanned payment data from a plurality of systems, as shown by system 332 associated with a post office 330. The central processing engine 316 may then determine a payment type (*e.g.*, personal check, corporate check, cashier's check, money order, etc.) and determine an optimal clearing path (*e.g.*, accounts receivable conversion (ARC)/automated clearing house (ACH) payment, image replacement document (IRD), image exchange, special handling, etc.) for the payment product. The payment product may then be cleared through the appropriate channel, such as ARC/ACH 318, IRD 320, image exchange 322, special handling 324, or other channel 326.

This embodiment of the invention can be transparent to the consumer. Specifically, the consumer 310 making the payment will likely have no idea that a change has occurred in how

their payments are processed, *i.e.*, that the paper check is destroyed at the system 315 in Delaware and the transaction is thereafter processed electronically.

Some of the advantages to the mail facility may include reduced mail volume, increased profit margins from postage paid by the consumer even though the mail does not move past the original city, a new revenue stream, co-location revenue, and new use of facilities to decrease downsizing, for example. Some of the advantages to a financial institution may include reduction of facilities, less need for regional facilities, and decreased incoming volume to the remaining facilities, for example. The invention may also provide the advantage of an additional 1-2 days of float on payments. These and other advantages are described in Applicant's specification on pages 13-14.

The Allen application, by contrast, describes a rent collection system and process for use by property owners and managers. *See* Allen ¶ 2. The Allen system includes a collection processor 10, a payment service center 60, and a property management system 70, among other things. *See* Allen Figure 1. The collection processor 10 is employed to control the process of payment collection. Allen ¶ 30. The payment service center 60 is employed to receive payments in the form of papers, such as checks and money orders, from various accounts or customers or tenants. Allen ¶ 32. The payment service center 60 is a physical location where all paper payments handled by collection processor 10 are handled. Allen ¶ 80. The property management system 70 is a personal computer that includes an accounting software system, which is typically a software system for property management. Allen ¶ 36.

Allen does not disclose or suggest the invention recited in Applicant's claim 1:

1. A method for processing payment products using a computer implemented payment processing system, the method comprising the steps of:

receiving a tangible mail item comprising a payment product, wherein the tangible mail item is addressed to an addressed destination in a mail channel;  
extracting the payment product from the tangible mail item;  
*electronically transmitting, using the computer implemented payment processing system, payment data associated with the payment product to a recipient for processing, wherein processing by the recipient comprises determining, with a computer implemented optimal path module, an optimal clearing path based at least in part on a type of the payment product; and*  
*destroying the payment product at the payment processing system, wherein the tangible mail item is not sent into the mail channel to the addressed destination.*

Allen does not disclose or suggest the combination of *receiving a tangible mail item comprising a payment product, wherein the mail item is addressed to an addressed destination in a mail channel; electronically transmitting, using the computer implemented payment processing system, payment data associated with the payment product to a recipient for processing; and destroying the payment product at the payment processing system, wherein the tangible mail item is not sent into the mail channel to the addressed destination*, as presently recited in Applicant's claim 1. Allen also does not recognize or suggest the advantages provided by exemplary embodiments of Applicant's invention, such as reduced mail volume, increased profit margin from postage paid by the consumer even though the mail does not move past the original city, and a reduction of the mail facilities needed by a financial institution receiving payments, among others.

The Office Action cites an isolated passage in Allen as allegedly curing the deficiencies noted above. In particular, the Office Action states on page 9 that:

Allen teaches electronically transmitting payment data associated with the payment product to an intended recipient for processing (image forwarded to collection processor) and destroying the payment product at the payment processing system (paragraph 95 page 7) but this is a slightly different embodiment.

Applicant respectfully disagrees. Not only does Allen fail to mention the advantages of Applicant's invention, but in fact Allen teaches away from Applicant's claim 1 combination. In



particular, Allen teaches that in the normal course, all the paper checks are physically transported to the bank for deposit. *See* Allen ¶ 92 and Figure 3. Allen teaches that a check transport system 208 is used to receive the extracted and batched mail (¶ 84); and a deposit preparation stage 214 is provided and configured to prepare deposit slips (¶ 88). The paragraph 95 cited in the Office Action describes a *mistake* by the tenant in which the tenant “sends a check to the property management company *instead of the designated P.O. Box number.*” Only in that case of tenant error does the check get destroyed. Moreover, in that case, the property management company is not the mail facility, so that even this alternative process in Allen does not disclose the subject matter of Applicant’s claim 1.

In addition, Applicant respectfully submits that Allen teaches away from “electronically transmitting, using the computer implemented payment processing system, payment data associated with the payment product to a recipient for processing,” as claimed. As discussed above, Allen teaches that the paper checks are *physically deposited at the bank*. *See, e.g.*, Allen at Figure 3 (showing a person physically carrying checks to the bank 92); Allen ¶ 84 (“A check transport system 208 is configured to receive the extracted and batched mail . . . . Typically, the check transport system 208 includes a plurality of sorting pockets.”); Allen ¶ 88 (“A deposit preparation stage 214 is provided and configured to prepare deposit slips.”) Allen ¶ 92 (“Payment service center 60 provides the payments to a banking institution such as at 92 for each corresponding batch of payments that have been accepted for payment.”).

Moreover, Applicant respectfully submits that Allen teaches away from “destroying the payment product at the payment processing system, wherein the tangible mail item is not sent into the mail channel to the addressed destination,” as claimed. In particular, Allen teaches payment service center 60 provides the payments to a banking institution such as at 92 for each

corresponding batch of payments that have been accepted for payment. *See*, Allen ¶ 92. Also, Allen teaches that the banking institutions are configured to receive paper checks for deposit directly from payment service center 60. *See*, Allen ¶ 43. Applicant respectfully submits that if the payment product is destroyed at the payment processing system, as alleged by the Office Action, there would not be anything to deposit at the banking institution.

The modification of Allen proposed in the Office Action would also destroy much of the functionality of the Allen system. For example, it would render useless the check transport system 208, the deposit preparation stage 214, the staging module 218, etc.

For at least these reasons, Applicant respectfully submits that it would not have been obvious to make the modifications to the Allen system suggested in the Office Action. Rather, it is apparent from reviewing the Office Action that the rejection is based on hindsight using Applicant's disclosure as a template, which is improper. For the foregoing reasons, Applicant respectfully submits that the rejection under § 103 is improper and requests reconsideration and withdrawal of the rejection.

The Office Action on page 9 acknowledges that Allen does not disclose or suggest that "the recipient determines an optimal clearing path based at least in part on a type of the payment product," as recited in claim 1. The Office Action cites Britto to remedy this deficiency. The Office Action asserts that Britto teaches a central processing engine determining an appropriate clearing path based at least in part on a type of the payment product. Applicant respectfully disagrees. First, the Office Action merely asserts that Britto teaches the deficiency of Allen; however it fails to identify a proper motivation or reason for combining the teaching of Britto with the teaching of Allen. Therefore, Applicant respectfully submits that the Office Action fails to establish *prima facie* case of obviousness for combining Britto with Allen. Second, Applicant

respectfully submits that Allen teaches away from Britto. In particular, Allen discloses a collection processing system configured to receive payments on behalf of a plurality of third parties, such as property managers. The payment service center processes the payments, which are typically in the form of checks or money orders, or other payment instruments. *See, e.g.*, Allen Abstract. In contrast, Britto discloses a service configured to be accessible by two or more parties to a two-sided funds transfer transaction through a computer network (e.g., the Internet) and provides functionality for sending a payment request to a target payer or payee who is not yet registered with the service. *See, e.g.*, Britto, Abstract. Therefore, Applicant respectfully submits that it would not have been obvious to one having ordinary skill in the art at the time the invention was made to combine the two-sided funds transfer transaction through a computer network of Britto with the collection processing system of Allen.

Regarding dependent claims 5-8, 10, 12, 14, and 32 these claims are dependent upon independent claim 1. Thus, since independent claim 1 should be allowable as discussed above, claims 5-8, 10, 12, 14, and 32 should also be allowable at least by virtue of their dependency on independent claim 1. Moreover, these claims recite additional features which are not disclosed, or even suggested, by the cited references taken either alone or in combination. For example, claim 12 recites "the optimal clearing path comprises one or more of automated clearing house, image replacement document and image exchange channels."

Independent claims 15 and 31 recite features similar to independent claim 1 and are believed to be allowable for essentially the same reasons that of independent claim 1 is allowable. Thus, the arguments set forth above with respect to independent claim 1 are equally applicable to independent claims 15 and 31. Accordingly, Applicant respectfully submits that

independent claims 15 and 31 are allowable over Allen and Britto for the same reasons as set forth above with respect to claim 1.

Regarding dependent claims 19-22, 26, 33, and 34, these claims are dependent upon independent claim 15 or 31. Thus, since independent claim 15 or 31 should be allowable as discussed above, claims 19-22, 26, 33, and 34 should also be allowable at least by virtue of their dependency on independent claim 15 or 31. Moreover, these claims recite additional features which are not disclosed or suggested by the cited references taken either alone or in combination. For example, claim 26 recites "the optimal clearing path comprises one or more of automated clearing house, image replacement document and image exchange channels."

In view of the foregoing remarks, Applicant respectfully submits that claims 1, 5-8, 10, 12, 15, 19-22, 24, 26, and 31-34 are patentable over Allen and Britto and requests withdrawal of the rejection under 35 U.S.C. § 103 in view of Allen and Britto.

On page 11 of the Office Action, claims 2, 4, 9, 14, 16, 18, 23, and 28 were rejected under 35 U.S.C. § 103(a) as being unpatentable over Allen in view of Britto and further in view of Official Notice. Applicant respectfully traverses the Examiner's assertion that the Official Notice statements are taken to be admitted prior art because the Applicant's traversal is inadequate. Specifically, the Examiner takes Official Notice that it is old and well-known to route mail with a zip code and therefore concludes that it would have been obvious to a person of ordinary skill in the art at the time of the invention to modify Allen to add a routing code comprising a zip code. Applicant traverses this rejection because there is no support in the record for the conclusion that the identified features are "old and well known." In accordance with MPEP § 2144.03, the Examiner must cite a reference in support of his position and Official Notice unsupported by documentary evidence should only be taken by the Examiner where the

facts asserted to be well-known, or to be common knowledge in the art are capable of instant and unquestionable demonstration as being well-known (emphasis added). Applicant respectfully submits that Allen teaches that a separate P.O. Box number is assigned to each property management system 70 by a collection processor 10, so that the address used to mail the payments refers to the same location, except for the unique P.O. Box number. See, Allen ¶ 41. Thus, Applicant respectfully submits that Allen teaches that mailed payments have the same zip code because the payments are mailed to the same location and are differentiated by P.O. Box number. Applicant submits, therefore, that it would not have been obvious to one having ordinary skill in the art to route payments of Allen to a payment processing system based on zip code, as alleged by the Office Action. Therefore, claims 2, 4, 9, 14, 16, 18, 23 and 28 are believed to be allowable.

#### **4. New Claims 35 and 36**

To further define the protection to which Applicant is entitled, claims 35 and 36 are submitted. The new claims are believed to be patentable over the cited references, because the new claims recite combinations of features that are not disclosed or suggested by the cited references. For example, new claim 35 and 36 recite that the addressed destination is beyond the mail facility in the mail channel, which is not disclosed or suggested by Allen or Britto.

#### **5. Conclusion**

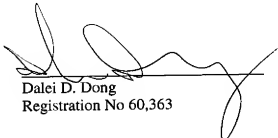
Having addressed all of the outstanding rejections of record, Applicant respectfully submits that the application is in condition for allowance and notice to that effect is earnestly solicited. If there are any questions regarding this Amendment or the application in general, the Examiner is encouraged to contact the undersigned at the phone number listed below to expedite prosecution.

A petition for a two-month extension of time and a charge authorization for the required fee are submitted herewith. Please charge any shortage in fees due in connection with the filing of this paper, including extension of time fees, to Deposit Account 50-0206, and please credit any excess fees to the same deposit account.

Respectfully submitted,

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